III. REVISED ESTIMATES OF 1106.

7. I now come to the current year 1106. Those of my friends who were in the House last year also might recollect that when I presented the current year's budget last Karkadagam, I expected to close the year with a small surplus of Rs. 37,000; but the year that is passing has witnessed such a severe economic depression that there has been a serious fall in revenue under several heads while the budgetted programme of expenditure had to be gone into with the result that instead of a surplus we are now faced with a deficit of nearly two lakhs of rupees. The House is aware that the whole world is passing through a great wave of economic depression. It will be presumptive on my part to analyse here the causes of this blizzard which is baffling even the most eminent economists. Several causes have been put forward by various schools of thought in the press and on the platform and it is quite unnecessary for me to enter into those details. Suffice it to say that our small State is also having its full share of the depression along with other parts of India as disclosed by the fall in receipts anticipated under 'Land Revenue', 'Stamps', 'Abkari and Ganja', 'Forests', 'Registration,' etc., etc.

8. With these introductory remarks, I shall now proceed to details. The estimates for the current year budgetted for an aggregate revenue of Rs. 86,11,100 and provided for a programme of expenditure amounting to Rs. 85,74,100 leaving a small surplus of Rs. 37,000 as already stated by me. According to the revised estimates, the total revenue is fixed at Rs. 83,52,200 and the total expenditure is expected to be Rs. 85,42,900 thus leaving a deficit of Rs. 1,90,700.

RECEIPTS.

9. The revenue for the year, as stated above, is anticipated to fall short of the original estimate by Rs. 2,58,900. The main heads that are expected to contribute to this decline are 'Abkari and Ganja,' 'Forests,' Stamps,' 'Registration,' 'Scientific, etc., Departments,' etc. Under 'Abkari and Ganja' a fall in receipt of Rs. 1,12,500 is anticipated out of the budget estimate of Rs. 13,21,300 mainly due to the remissions which have to be granted to the renters of toddy and arrack shops for obvious reasons as also to the probable non-remittance of kists of the last months within the year itself. Due to the slackness of the commercial world and the dullness in the timber market it is not expected that more than Rs. 5,00,000 can be realised from the Forests as against the budget estimate of Rs. 6,09,100 thus

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anticipating a fall of Rs. 1,09,100. The anticipated falls to the extent of Rs. 41,100 and Rs. 22,000 from the budget estimates under 'Stamps' and 'Registration' respectively simply reflect the severe economic depression through which the subjects of the State are passing. As against the budget estimate of Rs. 34,000 the revised estimate under 'Scientific, etc., Departments' anticipates a fall of Rs. 21,700 chiefly due to the fact that the stock of articles worth about Rs. 20,000 remaining in the Potteries could not be sold in the current year as was expected since negotiations for their disposal are only in progress. It has to be remarked, however, that against these decreases there are also expected slight increases in receipts noticeably under 'Anchal', 'Profits from Capital Out-lay,' etc., the former on account of the larger sale of stamps and the latter on account of the adjustment of interest including arrears so far realised by the Darbar on the amount paid as reclamation charges.

DISBURSEMENTS.

10. Under expenditure, we anticipate that there would be a small saving of Rs. 31,200 in the budget estimate of Rs. 85,74,100 purely on account of the large apparent reduction under 'Excise' for reasons explained in my memorandum and which I shall attempt to expound again later on and partly due to the reduced estimate under 'Railway;' these decreases are, however, offset by a general increase of expenditure under several other heads.

11. A casual perusal of the revised estimates of the current year would show that a common feature in the revised estimate is an appreciable increase under establishment charges of most of the departments mainly due to the arrears of pay drawn in the current year consequent on the general revision ordered towards the end of last year. Under 'Village Panchayats' the revised estimate exceeds the budget grant of Rs. 2,70,900 by Rs. 14,700 on account of the requirements of a separate department which explain the increase on the administrative side and the increased expenditure under 'Irrigation,' 'Communication,' and 'Water-supply' under 'Contribution to Panchayats'. The increase of Rs. 18,800 under 'General Administration' over the budget estimate of Rs. 1,40,800 is due partly to the increased rate of salary of the present Diwan and the leave allowance granted to his predecessor and partly to the increased travelling allowance of the Legislative Council Members and of the numerous non-officials engaged in

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Census work. The arrears of pay on account of the revision, the opening of an Additional District Court at Ernakulam in the course of the year, enhanced travelling allowance, etc., account for the increase of Rs. 18,500 under 'Law and Justice' against the budget estimate of Rs. 2,76,400 while the excess of Rs. 47,700 anticipated under 'Education' over the budget estimate of Rs. 14,82,200 is chiefly on account of the arrears of pay consequent on the general reorganisation.

12. Against these increases, a very appreciable decrease is estimated under 'Excise' under which the revised estimate is fixed at Rs. 26,900, *i. e.*, Rs. 87,000, less than the budget estimate of Rs. 1,13 900. This large decrease is only apparent and is due to the minus entry under 'Purchase of salt' as a result of the introduction of the new system of salt accounts from 1st Chingam 1106 with the consequent adjustment of the value of the stock of salt in hand on that date to the head 'Advances'. On that date there was salt to the value of Rs. 82,173 which was debited to 'Advances' after exhibiting the cost of the same as an abatement of charge under the service head 'Purchase of salt' and hence the minus figure of Rs. 82,173 under that head in the revised estimate. Another head expecting a decrease is 'Railway' under which is anticipated a reduced expenditure of Rs. 7,75,000 as against the budget estimate of Rs. 8,50,000 due to the fact that no large capital works are proposed on the metre-gauge line on account of the imminence of the Conversion Scheme.

13. To sum up—the budget estimate of 1106 was so framed as to leave a surplus of Rs. 37,000. The revised estimate, however, anticipates a deficit of Rs. 1,90,700 on account of heavy fall in revenue as a result of the economic depression. The net surplus to the credit of the State at the end of the year is therefore expected to be reduced from Rs. 1,03,84,477 to Rs. 1,01,93,777.

14. Before I deal with the estimates of the coming year, I should inform the House that the estimate of Rs. 11 lakhs under 'Customs' for the current year is only tentative, since the actual sum realised under 'Customs' during the year has not yet been communicated to the Darbar. The account figures for 1105 were Rs. 15,88,819 and should the estimate of Rs. 11 lakhs for 1106 prove to have made more than the necessary allowance for the trade depression of the times, our revenue from this source should show increase over the estimate and the deficit be correspondingly reduced,

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